



ZIEGLER CHEMICAL & MINERAL CORP.

366 NORTH BROADWAY, SUITE 210, JERICO, NEW YORK 11753

TEL: 516 - 681 - 9600 • FAX: 516 - 681 - 9604 • www.zieglerchemical.com

5104710063
cc: Leslie
Task: 42

June 24, 2011

State of Utah Department of Natural Resources
Division of Oil Gas and Mining
Leslie Heppler / Mine Program Coordinator
1594 West North Temple
Suite 1210
P.O. Box 145801
Salt Lake city, Utah 84114-5801

RE: Neal 2A documents

Dear Leslie,

Please find the attached documents for the Neal 2A.

Sincerely,

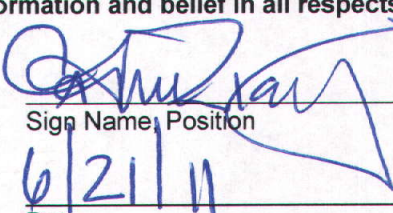
Catherine Ziegler
Vice President
Ziegler Chemical & Mineral Corporation
717-393-1172
catherineziegler@comcast.net

RECEIVED
JUN 27 2011
DIV. OF OIL, GAS & MINING

Application to Revise a Notice of Intention to Commence Small Mining Operations or Exploration

Operator: ZIEGLER CHEMICAL & MINERAL CORP.			
Mine Name: NEAL 5, 6 & 2A		File Number: E or M/ / SO 470063	
Provide a detailed listing of all changes to the Notice that will be required as a result of this change. Individually list all maps and drawings that are to be added, replaced, or removed from the Notice. Include page, section and drawing numbers as part of the description.			
DETAILED SCHEDULE OF CHANGES TO THE NOTICE			
			Description of map, text, or materials to be changed
ADD	REPLACE	REMOVE	PAGE 1
ADD	REPLACE	REMOVE	PAGE 4
ADD	REPLACE	REMOVE	PAGE 5
ADD	REPLACE	REMOVE	PROPOSED MINE PLAN
ADD	REPLACE	REMOVE	NEAL MAP
ADD	REPLACE	REMOVE	PAGE 7
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

<u>CATHERINE ZIEGLER</u> Print Name	 Sign Name, Position 6/21/11 Date
--	--

VICE PRESIDENT

Return to:

State of Utah
Division of Oil, Gas and Mining
Attn: Minerals Regulatory Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Phone: (801) 538-5291 Fax: (801) 359-3940
P:\GROUPS\MINERALS\WP\FORMS\notices\Final\revision_SMO_EXP.doc

FOR DOGM USE ONLY:	
File #: M/ /	
Approved: _____	
Bond Adjustment: from (\$) _____	
to \$ _____	

RECEIVED
JUN 27 2011
DIV. OF OIL, GAS & MINING

Assigned DOGM File No.: S/O 0470063

DOGM Lead: _____

Permit Fee \$ _____ Ck# _____

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING**

1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The information requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program (R647). The rules and Act are available online at <http://www.rules.utah.gov/publicat/code/r647/r647.htm> and http://le.utah.gov/~code/TITLE40/40_08.htm.

Cultural Resources Survey: To fulfill its obligations under Utah Code Annotated 9-8-404, the Division needs cultural resource (archaeology) information. The amount and type of information required will depend on the mine location, the history of previous disturbance, and other factors. Please contact the Division for further information.

A permit fee of \$150 must accompany this application (Utah Code Ann. §40-8-7(1)(i)) and is due annually.

"Small Mining Operations" are operations which have a disturbed area of ten or fewer surface acres at any time in unincorporated areas, or five acres or fewer in incorporated areas.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Neal 5, 6 and 2A
2. Operator Name (Legal Name): Ziegler Chemical & Mineral Corp

Mailing Address: 366 North Broadway, Suite 210

City, State, Zip: Jericho, New York 11753

Phone: 516-681-9600 Fax: 516-681-9604

E-mail Address: catherineziegler@comcast.net

Type of Business: Corporation (☒) , LLC (☐) , Sole Proprietorship (dba) (☐)
General Partnership (☐) , Limited Partnership (☐) , Individual (☐) .

Business Entity (not individuals) must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) If not currently registered, contact www.commerce.utah.gov to renew or apply. Business Entity #: 586651-0143

Local Business License #: 2008227 (if required)

Issued by: County: Uintah or City: _____

II. **PROJECT LOCATION & MAP** (Rule R647-3-105)

1. **Project Location & Map** (legal description):

County(ies): Uintah

SE 1/4, of NW 1/4, of SE 1/4, Section: 32 Township: 11S Range: 24E
N 1/2, of NE 1/4, of SW 1/4, Section: 32 Township: 11S Range: 24E
1/4, of 1/4, of 1/4, Section: 1/4 Township: 1/4 Range: 1/4

UTM East: _____ (if known) UTM North: _____ (If known)

Name of Quad Map for Location: Archy Bench SE Quadrangle & Rainbow Quadrangle

2. **Is the project within an incorporated area?** (☐) Yes (☒) No

If yes, what is the town or city? _____

3. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section.

a. The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.

b. The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:

- i. The area to be disturbed;
- ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
- iii. Any adjacent previous disturbance for which the operator is not responsible.

(Contact the Division for a list of consultants and land surveyors for mapping assistance.)

4. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. **OPERATION PLAN** (Rule R647-3-106)

1. **Type of mining:** Surface (☐) Underground (☒)

2. **Mineral(s) to be mined:** Gilsonite

3. **Amount of material** to be extracted, moved, or proposed to be moved: 3,000 – 4,000 tons

4. Will any **water, liquid chemicals, reagents, or other solutions** be used, produced or discharged as part of the mining or milling process? Yes (☐) No (☒) If yes, please describe (add extra pages if needed): _____

5. Provide a brief **description of the proposed mining operation**, and onsite processing facilities (add extra pages if necessary). See attached "Proposed Mine Plan"
Drill Neal 6 – 2 dry holes measuring 2.75" in diameter which will be plugged
Drill Neal 2A – 9 dry holes measuring 2.75" in diameter which will be plugged
Trenching on the Neal 2A will be up to 500' along the strike of the vein & 10 feet deep. All
disturbed trenching will be back filled upon completion.
6. (x) **New Road(s)**: Length Neal 5 = 600 (ft), Width 16 (ft)
Length Neal 2A = 290 (ft), Width 12 (ft)
7. () **Improved Road(s)**: Describe improvements that need to be made to existing roads to access the site, including the Length (ft) and Width (ft) of new disturbances.
8. Total project surface **acreage to be disturbed**: Neal 5= .89, Neal 6 = .5 and Neal 2A = 1 (acres)
PLEASE SPECIFY EXACT ACREAGE (this will be used to determine surety bond amount – see #VI).
9. Proposed **startup date** (month, year): June 15, 2011
10. Proposed **completion**, if known (month, year): December 31, 2013

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover or within practical limits. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at::

https://fs.ogm.utah.gov/pub/MINES/Coal_Related/RecMan/Reclamation_Manual.pdf.

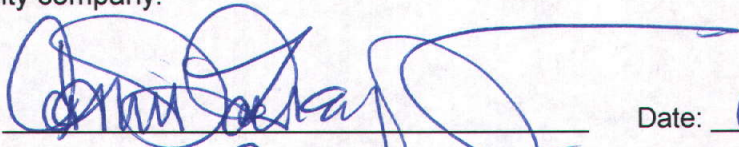
1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*

VIII. SIGNATURE REQUIREMENT

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- c. **This certification must be signed by:** (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; **or** (4.) the member or manager if applicant is a limited liability company.

Signature:  Date: 6/1/11
Name (typed or printed): CATHERINE ZIEGLER
Title/Position (if applicable): VICE President



ZIEGLER CHEMICAL & MINERAL CORP.

STAR ROUTE, LITTLE BONANZA, UTAH 84078

TEL. 1-435-789-3595 • www.zieglerchemical.com

Neal 2A Mine Plan

Ziegler Chemical & Mineral Corp. Propose to remove Gilsonite from the Neal 2A Mine located in Section 32, T11S R24E.

In order to supply the quality and quantity of Gilsonite requested by our customers, ZCMC would like to re-commence mining operations immediately upon approval of this mine plan.

Neal 2A will be approximately 1900 feet west from the present mine opening of Neal 5. An ore bin and airlift system will be installed at the mine shaft to remove ore from the mine. ZCMC will place a derrick and hoist for the raising and lowering of men and materials.

The normal workforce would include two underground miners, one hoist man at the surface and on occasion one timber man. If demand increases more crews will be put in place to meet our customer's needs. The ore mined will reach the surface in an ore bin, from which it will be loaded into covered trucks and transported to ZCMC facilities at Little Bonanza.

The new road will be approximately 290 feet long by 12 feet wide. Due to the grade of the terrain construction, this road will require very little cut & fill. In addition, an area 150 feet by 300 feet will be leveled by cut and fill at the location of the Neal 2A hoist house and compressor shed. The total new disturbed area will be about 1.5 acres including the road.

A portal will be built at the entrance of the Neal 2A mine to facilitate entry and exit of men and equipment. At the Neal 2A mine, a concrete collar approximately 18x 4 feet will be constructed at the surface to stabilize the shaft opening. All openings in the ground (shafts and escape ways) would be fenced with chain link.



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All enclosures would have gates with locks to provide a first line of security. Sufficient area inside the fenced area would be maintained for ingress and egress. The gates would be locked when the mine is not in operation. Signs will be placed in order to warn the public of mining operations.

A number of facilities other than the opening for the mine shaft and escape ways would be located on the surface, including:

- A hoist house and head frame to raise and lower the conveyance in the shaft at Neal 2A.
- A 25-30 ton ore bin for the storage and loading of Gilsonite will be located on each mine site.
- A dust collector will be placed on the top of each storage bin to remove dust from the airlift system.
- Airlift fans will be installed on pad next to each head frame. These fans are designed to lift ore to the surface through a 12-inch pipe in the utility shaft.
- A compressor shed, for the diesel-powered compressor.
- Electricity to supply power to the hoists, compressor and fans would be provided by a diesel generator.

Top soil from disturbed areas would be stored in piles in the immediate vicinity of the area from which it will be removed. The topsoil pile will be seeded to stabilize it for future reclamation use.

A small waste rock pile. It is anticipated that very little waste rock would be produced. Only the Gilsonite would be extracted from the vein.

No water would be used in the mining operation. Any underground water encountered will be handled in accordance with federal water regulations and requirements.



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Three Ansul 20-pound fire extinguishers would be on hand: two in the hoist house, and one by the compressor. All rules and regulations regarding fire prevention would be strictly adhered to. If a fire grows so large that it cannot be controlled with fire Extinguishers, Deseret Generation and Transmissions fire crew will be called to assist in fighting the fire. Uintah County/Vernal City will also be called as back up. If an underground fire occurs, the mine would be sealed. In order to prevent an underground fire, the following precautions will be taken:

- All combustible materials including vegetation will be kept away from mine openings;
- Fire retardant paint will be put on all timber used in mine openings;
- No electrical equipment will be used underground
- Smoking and smoking materials will be prohibited underground.
- There will not be any explosives stored at the mine site.

Miners will be instructed to maintain a clean camp and to report any unusual activities that could be detrimental and/or unlawful. In order to minimize impacts to the environment from personnel involved in mining activities, employees would be subject to the following regulations:

- No open fires of any kind except in approved buildings in approved stoves or furnaces
- No illegal harassing or shooting of wildlife.
- No trash left in any unauthorized place.
- No unnecessary off-road driving.
- No collecting of plants.

For safety and mine efficiency, mobile telephone communications will be maintained between the mine and the Ziegler office in Little Bonanza.



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All garbage and solid wastes (other than wasted rock) will be placed in covered 55 gallon cans then taken to a dumpster, located on ZCMC property. A toilet will be located at the mine site for use by ZCMC personnel. A 10 foot deep pit will be dug underneath the toilet facility to accommodate sewage, which will be allowed to decompose in -situ.

When the mineshafts and escape ways are ready for closure, final designs would be submitted to the Division before seal construction. The collar and other structures will be removed. The mine openings will be sealed with 18 inch thick concrete reinforced with rebar placed on 12 inch centers. If the seal is to be in an exposed rock outcrop, the top of the seal will be constructed to conform to the contour of the outcrop and will be no higher than the adjacent rock. The bottom of the seal would be placed on bedrock. If the seal is location where soil would cover the seal, the bottom of the seal will be placed on bedrock and covered with a minimum of 4 feet of topsoil.

Upon completion of mine operations, all machinery, equipment and debris would be removed from the site. The site would be graded to conform as closely as possible to pre-mining conditions. The reclaimed area will be scarified, and re-vegetated with a seed mixture approved by D.O.G.M.

Ritchie Anderson
Mine Superintendent

Ziegler Chemical & Mineral Corp.

